

DISCLOSURES REQUIRED BY MARYLAND

1. The Borrower is under no obligation to deal with the Lender.
2. The following sections are part of the Maryland Secondary Mortgage Loan Law:

SECTION 12-404. Amount of loan; interest; payment in installments.

- (a) Amount of loan; interest in advance. — A lender may:
 - (1) Make a loan in such an amount that the net proceeds of the loan equal a predetermined sum; and
 - (2) Take interest in advance on the full amount of the loan for the period from the date the loan is made to the date of maturity of the loan.
- (b) Limitation on total amount of interest. — The total amount of interest may not exceed the amount that would accrue throughout the term of the loan if charged at the rate of 12 per cent per annum on the unpaid principal balances outstanding from time to time.
- (c) Amortization of loan. — A loan shall be amortized in equal or substantially equal monthly installments without a balloon payment at maturity, except that:
 - (1) Payment on the loan may be reduced or suspended until all prior liens or encumbrances are wholly or partially satisfied; and
 - (2) A balloon payment at maturity may be required if the loan is transacted solely for the purpose of acquiring or carrying on a business or commercial investment and is more than \$5,000.
- (3) A person who takes back a deferred purchase money secondary mortgage to aid in the sale of his own residence may create a balloon payment at maturity of the deferred purchase money mortgage, if the balloon payment is:
 - (i) Expressly disclosed to the borrower; and
 - (ii) Agreed to by both the borrower and the lender/seller in writing.

SECTION 12-405. Permitted charges

- (a) Origination fee. — A lender may collect a loan origination fee not exceeding 2 per cent of the net proceeds of the loan. However, he may not collect from the borrower any other commission, finder's fee, or point for obtaining, procuring, or placing a loan.
- (b) Fees for recording and satisfying instrument securing loan. — A lender may collect the fees paid to a public official or governmental agency for recording or satisfying the instrument securing the loan.
- (c) Delinquent charged — (1) A lender may collect from the borrower a delinquent or late charge of the greater of \$2 or 5 per cent of the amount of any delinquent or later periodic installment, if:
 - (i) The delinquency has continued for at least 10 days; and
 - (ii) A delinquent or late charge has not already been charged for the same delinquency.
- (2) The lender shall deduct the charge from the next payment made by the borrower.

SECTION 12-410. Insurance

- (a) Insurance that may be required. — Subject to the provisions of this section, a lender may require a borrower to insure and may collect from him the premiums paid for insurance on:
 - (1) Any real property securing the loan;
 - (2) The life of any person obligated on the loan; and
 - (3) The title of any real property securing the loan.
- (b) Limitation on insurance coverage. — (1) The amount of property insurance may not exceed the reasonable value of the real property insured, and the type of insurance coverage shall bear a reasonable relation to the existing risk of loss.
- (2) The amount of life insurance may not exceed the total original amount payable under the loan contract.
- (c) Insurance companies and rates. — Under this subtitle, insurance may be obtained only:
 - (1) From an insurance company qualified to do business in the State; and
 - (2) At rates not exceeding those approved by the insurance division of the department of licensing and regulation.
- (d) Prohibited practice. — A lender may not require the borrower to purchase any insurance from him.

NOTICE OF PROPOSED INSURANCE

I take notice that either Credit Life or Credit Accident and Health Insurance, or both, will be applicable to the Consumer Credit Deed of Trust Note on the reverse side only if I have chosen it by signing the request for such insurance. This insurance will only cover the person signing the request at the time of each type of insurance shown. Subject to acceptance by the insurance company, the insurance will be effective as of today and will continue until the maturity date of the Consumer Credit Deed of Trust Note at which time it will expire. All benefits and proceeds of the insurance will be payable to The Equitable Trust Company to the extent of its interests and any balance will be payable to me. The initial amount of the Credit Life Insurance as shown on the reverse side is the amount of insurance in effect during the first month beginning today. After the first month, the amount of Credit Life Insurance in force during each month by an amount obtained by dividing the initial amount of insurance by the number of my monthly payments. If I am jointly obligated on the Consumer Credit Deed of Trust Note with my wife or husband and we have both signed the request for Credit Life Insurance, death benefits will be payable only with respect to the 1st one of us to die. Subject to exclusions, eliminations or waiting period stated in the insurance policy or certificate, Credit Accident and Health Insurance is for the monthly benefit stated on the reverse side for each month of total disability as defined in the insurance policy or certificate. If the Consumer Credit Deed of Trust Note is prepaid in full prior to the normal maturity date, any unearned insurance premiums will be refunded to me in the manner prescribed by law. Within 30 days, I will receive a certificate of insurance more fully describing the insurance coverage. If the insurance is not purchased by the insurance company, I will receive a refund of the insurance premiums I have paid.

- ☐ If this box is checked, the notice below is not a part of this Consumer Credit Deed of Trust Note.
- ☐ If this box is checked, the notice below is a part of this Consumer Credit Deed of Trust Note.
- If neither of the above boxes is checked, the notice below is not a part of this Consumer Credit Deed of Trust Note and will not in any way apply to this Consumer Credit Deed of Trust Note.

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

GUARANTY

By signing below and to induce you to make the Loan to the Borrower, I unconditionally guaranty to you (The Equitable Trust Company and its successors and assigns and any other holder of the Consumer Credit Deed of Trust Note) as and when due and payable the prompt payment of the principal of, interest on, and all other moneys payable under this Consumer Credit Deed of Trust Note plus all collection and other costs and late charges. I am to be responsible for such payment and to be bound by all of the provisions of this Consumer Credit Deed of Trust Note as though I had signed it as Borrower. You do not have to notify me if any monthly payments or other payments under this Consumer Credit Deed of Trust Note has not been paid or if the Borrower has defaulted. You can change the terms of this Consumer Credit Deed of Trust Note or the scheduled dates of any monthly payment or release of any of the Property without notifying me or releasing me from responsibility on this Consumer Credit Deed of Trust Note. You do not have to sue the Borrower or get a judgment against the Borrower or sell or dispose of the Property before collecting from me under this guaranty.

For value received and without recourse, The Equitable Trust Company sells, assigns and transfers all of its rights, title and interest in the within instrument this 18th Day of June, 1982.

Test: Teresa L. Portman The Equitable Trust Co. Leon C. Bennikas (SEAL)
 Staff Assistant By: Jack L. Daly Exec. V.P.
 Vice President Leon C. Bennikas, Exec. V. Pres.

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